

EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI		✓		
6	DDA				
7	DDO		✓		
8	DDS&T		✓		
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/EEO				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
20	NIO/EA		✓		
21	NIO/S&T		✓		
22	C/ETIC		✓		
	SUSPENSE		Date		

Remarks: C/ETIC ✓

2156
Executive Secretary
8/31/83
Date

3637 (10-81)

~~SECRET~~

5866

~~SECRET~~

THE WHITE HOUSE

WASHINGTON

Executive Registry
83-4293

August 30, 1983

MEMORANDUM FOR THE SECRETARY OF STATE
 THE SECRETARY OF DEFENSE
 THE SECRETARY OF COMMERCE
 THE SECRETARY OF ENERGY
 THE DIRECTOR OF CENTRAL INTELLIGENCE
 THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT: Implementation of Export Control Changes
 for China (S)

On June 9, 1983, the President directed that the export control category for the People's Republic of China be changed from Category P to Category V, in accordance with our policy to treat China as a friendly, non-aligned country. This change will not affect our obligations to the international coordinating committee. All items subject to multilateral review will continue to require referral to the COCOM. (S)

An interagency Steering Committee was established under the NSC Senior Director for Political-Military Affairs to establish a national security framework for technology transfer to the PRC. (S)

An interagency group established liberalized guidelines for the review of export licenses for China. "Green Lines" were established for cases to be processed by the Department of Commerce without review by the Department of Defense for national security purposes. For major export categories, goods whose export would not threaten United States security interests or which do not significantly enhance China's unique capabilities in certain specified critical areas were included below this line. In addition, a "Red Line" was established for a few, narrowly proscribed areas where there would be a very strong presumption of denial for exports of sensitive goods and technologies. Advanced technical capabilities whose acquisition by China would threaten United States security interests were included in this area. (S)

25X6

~~SECRET~~

DECLASSIFY ON: OADR

~~SECRET~~

C31

~~SECRET~~~~SECRET~~

25X6

In accordance with these findings, United States policy should provide China with the technical capabilities to build a modern economy in order to strengthen China's technical and military capabilities in ways which do not threaten United States interests, including the security of United States allies in the region. United States export licensing practice should limit those exports to China that would make a key contribution to identifiable Chinese military programs in the six critical areas in such a manner as to threaten United States national security interests. (S)

Applications falling between the Red and Green lines should be disapproved if the transfer would provide a specific, new critical capability or significantly enhance existing performance in one or more of the six critical capabilities; if the extent of the risk to the United States and its ability to respond would be such as to threaten United States security interests to an extent that exceeds the level of manageable risk as defined in the JCS study; if China in fact has the ability to effectively integrate the technology into advanced weapons systems; if the national security risk is not offset by the national security benefits that could be derived from constraining Soviet military resources; and if effective safeguards against diversion to military end-uses cannot be devised. (S)

Export licensing to China should be reviewed twice annually to determine if the technical levels of licensing should be adjusted, consistent with United States security interests. Continuing effort should be devoted to the establishment of Green lists for other product categories from the commodity control list. The Steering Committee should meet at least quarterly to review the licensing process, to evaluate expansion of either the Green or Red list, to consider other steps to improve the licensing process, and to ensure that broader policy considerations are taken into account. (S)

FOR THE PRESIDENT:



William P. Clark

~~SECRET~~~~SECRET~~